VZCZCXRO3310 PP RUEHLMC DE RUEHLP #0854/01 0861925 ZNY CCCCC ZZH P 271925Z MAR 06 FM AMEMBASSY LA PAZ TO RUEHC/SECSTATE WASHDC PRIORITY 8629 INFO RUEHAC/AMEMBASSY ASUNCION 5726 RUEHBO/AMEMBASSY BOGOTA 3002 RUEHBR/AMEMBASSY BRASILIA 6876 RUEHBU/AMEMBASSY BUENOS AIRES 4111 RUEHCV/AMEMBASSY CARACAS 1426 RUEHPE/AMEMBASSY LIMA 1364 RUEHMN/AMEMBASSY MONTEVIDEO 3679 RUEHQT/AMEMBASSY QUITO 4068 RUEHSG/AMEMBASSY SANTIAGO 8598 RHMFISS/HQ USSOUTHCOM MIAMI FL RUMIAAA/USCINCSO MIAMI FL RUEHLMC/MILLENNIUM CHALLENGE CORP RHEBAAA/DEPT OF ENERGY WASHINGTON DC RUEATRS/DEPT OF TREASURY WASHINGTON DC RHEHNSC/NSC WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 LA PAZ 000854

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TAGS: ECON PGOV PREL BL

SUBJECT: BOLIVIAN DEMOCRACY UNDER THREAT

REF: A. LA PAZ 733

1B. LA PAZ 732

1C. LA PAZ 240

1D. LA PAZ 810

Classified By: Amb. David N. Greenlee for reasons 1.4 (b) and (d).

- 11. (C) Summary: Two months in office and Evo Morales has done little to burnish his democratic credentials. Attacks on the press, judiciary and other institutions are beginning to look more like pieces of an emerging autocratic strategy aimed at the upcoming constituent assembly than the missteps of inexperience. Coupled with periodic outbursts against the United States—also apparently more scripted than spontaneous—these early indications of Morales' intent are troubling. End summary.
- 12. (C) The still new Morales administration may be telescoping a strategy going into the Constituent Assembly (CA) that puts at risk the integrity of Bolivia's already weak democratic institutions. Below are a few examples of what may be a deliberate plan to bleed political influence from its legitimate sources and into the hands of a single state authority, Evo Morales:
- -- Free press. Prior to assuming office, Morales began intimidating the press and encouraging self-censorship, which has intensified as journalists attempt to court GOB sources.
- -- Votes for carnets. With Venezuelan support, the GOB is distributing carnets (government identification documents) to inflated numbers of Bolivians (see reftel A regarding implications of fraud) as quid pro quo for supporting the MAS in the CA.
- -- National Electoral Court (CNE). Despite his overwhelming victory on December 18, Morales has undermined the credibility of the CNE. While his previous threats to "clean out" the Court have toned down, he may continue to look for ways to register his newly-carnetized voters before the April 3 deadline, or to extend it.
- -- Attacks on ex-presidents. The GOB, via the MAS-friendly Attorney General Pedro Gareca, has expressed its intent to

file criminal charges against four ex-presidents (Jorge Quiroga, Carlos Mesa, Gonzalo Sanchez de Lozada and Eduardo Rodriguez), all of whom represent in different ways a political threat to the MAS (reftel B). The GOB hopes the lawsuits will distract the opposition from the CA election on July 2.

- -- Dilution of separation of powers between executive and Congress. The presidents of the Senate (Santos Ramirez) and the Lower House (Edmundo Novillo) are part of Morales' inner circle, and function as if part of the executive branch.
- -- Weakening of legislative and judicial branches. By lowering government salaries as an "austerity measure," the GOB has spurred the resignations of the presidents of the Supreme Court (Eduardo Rodriguez) and the Constitutional Court (Wilman Duran), and of Supreme Court Justice Armando Villafuerte (reftel C). The newly created judicial vacancies will allow it to pack and control the courts. The GOB controls a majority of Congress, but by lowering salaries and reducing the Congress' operational budget, the GOB has further reduced the legislative branch's ability to serve as a check to executive power.
- -- Constituent Assembly (CA). Opposition party leaders have long worried that the Morales government would use the CA to consolidate power for the long term. Morales has declared that the MAS plans to secure 70 percent (or more) of CA representatives, and is working diligently to that end (reftel A). The opposition's "dark" view of the CA may be a self-fulfilling prophecy; unless the struggling opposition unites quickly, Morales may use the CA to eliminate them as a check on his increasing power.

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- -- Control of indigenous groups. Many of the largest indigenous groups have historically contained several political currents. In the past month, the MAS has increased attempts to co-opt several organizations (like the CSUTCB and CIDOB), and has eliminated rival forces within them.
- -- Removal of state subsidies for CA campaign. The GOB has threatened to withdraw state support for all political parties in the CA campaign by introducing a bill to that effect in Congress. Such a measure will damage the already financially-weak opposition; the MAS, with government coffers at its disposal and funding from Venezuela/Cuba, can decline such funds under the guise of another "austerity" measure.
- -- Politics in non-political institutions. The GOB has undermined independent institutions such as the military and the MFA by making personnel decisions using political criteria. Regarding the military, Morales skipped two generations of promotable officers to name Wilfredo Vargas as Armed Forces Commander. In the Ministry of Foreign Affairs, Embassy contacts have also reported isolated cases of personnel maneuvers rewarding political allegiances instead of merit.
- -- Mistreatment of U.S.-friendly government officials. Certain GOB ministries have shown hostility toward the United States while welcoming Venezuelan/Cuban officials with open arms. Military personnel have openly mistreated Bolivian officers who have worked with the U.S. milgroup in the past via demotions, transfers, and isolation. Working level Embassy contacts have reported "orders" within certain Ministries not to associate with the international community, particularly Americans.
- -- Manipulation of judicial system. The GOB's recent raid of Spanish petroleum company Repsol and subsequent arrest of its principals demonstrate that the rule of law can be manipulated for political gain (see septel). While the GOB's exact motives are unclear (possibly to gain a stronger negotiating position or to intimidate the hydrocarbons

sector), it is gaming the legal system to single out Repsol, and increasing the state's role in the private sector.

¶3. (C) Comment: Coupled with periodic outbursts against the United States--most recently accusing us of sending a "terrorist" to bomb two low rent hotels (reftel D)--these early indications may spell trouble for the integrity of Bolivia's institutions and hint at an autocratic bent in the presidency. End comment.

GREENLEE